

**Illinois Department of Revenue
Regulations**

Title 86 Part 130 Section 130.2110 Sellers of Seeds and Fertilizer

**TITLE 86: REVENUE
PART 130
RETAILERS' OCCUPATION TAX**

Section 130.2110 Sellers of Seeds and Fertilizer

a) **Sellers of Seeds - When Liable For Tax**

When persons who are engaged in the business of selling seeds sell seeds to purchasers who use the seeds in raising lawn grass, vegetables, crops or other plants which they will use or consume and not resell, such vendors are engaged in the business of selling tangible personal property to purchasers for use or consumption and are required to remit Retailers' Occupation Tax to the Department on their gross receipts from such sales.

b) **Sellers of Seeds - When Not Liable For Tax**

Persons who sell seeds to purchasers who employ such seeds in raising vegetables, crops or other plants for sale are selling seeds to purchasers for purposes of resale and are not required to remit Retailers' Occupation Tax measured by their gross receipts from such sales.

c) **Definition of Fertilizer**

The word "fertilizer", as used in this Section, means a commodity which contains one or more substances to increase the available plant food content of the soil and which becomes a part of the products grown therein.

d) **Sellers of Fertilizer - When Liable for Tax**

When persons who are engaged in the business of selling fertilizer sell fertilizer to purchasers who use such fertilizer on lawns, home or private gardens, parks, boulevards and the like, such vendors are engaged in the business of selling tangible personal property to purchasers for use or consumption and are required to remit Retailers' Occupation Tax to the Department on their gross receipts from such sales.

e) **Sellers of Fertilizer - When Not Liable for Tax**

Persons who sell fertilizer to purchasers who are regularly engaged in the business of producing agricultural products for sale are considered to be making sales for purposes of resale because, in such cases, the fertilizer becomes a part of products which are subsequently sold. Such sellers of fertilizer, therefore, are not required to remit Retailers' Occupation Tax measured by their gross receipts from such sales.

(Source: Amended and effective May 21, 1962)